Congress of the United States Washington, DC 20515

January 27, 2021

The Honorable Nancy Pelosi Speaker of the House U.S. House of Representatives Washington, D.C. 20515 The Honorable Chuck Schumer Majority Leader U.S. Senate Washington, D.C. 20510

Dear Speaker Pelosi and Senate Majority Leader Schumer:

Your close partnership with lawmakers has been essential to our success to deliver "For The People." As Congress continues to work diligently on new direct relief to help American families and businesses weather the pandemic, we urge you to include the repeal of the State and Local Tax (SALT) Deduction cap, put in place by the disastrous 2017 partisan tax hike bill in our next legislative package.

As you know, the SALT deduction has historically strengthened state and local government functions, including public health programs, safety nets for low-income residents, and emergency response services. During her confirmation hearing before the Senate Finance Committee on January 19, 2021, Treasury Secretary nominee Janet Yellen rightly acknowledged the burden on the shoulders of our states and the need to help to keep essential frontline public workers on the job.¹

Unfortunately, according to the December 2020 Bureau of Labor Statistics Employment Situation Report, government employment overall is down by 1.3 million jobs since February 2020 when the pandemic exploded.² The data shows that these layoffs are concentrated most among those who educate our children, protect our cities and towns, and keep our communities clean. While New Jersey has done herculean work to prevent job losses in these critical services, our state has borne the brunt of the pandemic and has cut the government workforce by 4.8% from November 2019 to November 2020.³ These workers serve essential roles, and their job losses are damaging us now more than ever.

Consequently, removing the SALT cap would be a textbook method to provide relief to communities ravaged by the pandemic. According to a recent report released by the Rockefeller Institute of Government, New Jersey ranks among the lowest states for balance of payments in federal dollars – that is, money sent to the Treasury General Fund versus money received. Overall, many of the states who are experiencing a similar imbalance have also been among the hardest hit by the pandemic, including New Jersey, New York, Massachusetts, and California, putting a titanic strain on local public health resources.

¹ https://www.finance.senate.gov/imo/media/doc/JLY%20opening%20testimony%20%20(1).pdf

² https://www.bls.gov/news.release/pdf/empsit.pdf

³ https://www.bls.gov/eag/eag.nj.htm

⁴ https://rockinst.org/wp-content/uploads/2021/01/2021-Balance-of-Payments-Report-web.pdf

Removing the SALT cap has broad support, with the House already passing repeals three times, including as part of two previous relief packages: H.R.6800, the Heroes Act, which passed the chamber with bipartisan support on May 15, 2020, and H.R.8406, the updated version of the Heroes Act, which passed the House on October 1, 2020.

In the face of cataclysmic health and economic challenges, the American people demand urgent and meaningful assistance. Relief from the unfair and destructive SALT cap offers the precise breed of action our constituents, states, and localities will benefit from immediately. Therefore, we ask for the inclusion of our request in the next COVID-19 relief package.

Sincerely,

Josh Gottheimer

Andy Kim

MEMBER OF CONGRESS

Tom Malinowski

MEMBER OF CONGRESS MEMBER OF CONGRESS

Donald Norcross

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Donald M. Payne, Jr.

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Albio Sires

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Jefferson Van Drew

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Mikie Sherrill

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Bonnie Watson Coleman

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